

State of California

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Legislative Change No.**00-23**Bill Number: AB 1080 Author: Villaraigosa & Davis Chapter Number: 00-603Laws Affecting Franchise Tax Board: Revenue and Taxation Code Section 17052.2.Date Filed with the Secretary of the State: 09-24/2000

SUBJECT: Teacher Retention Credit/Calculation of Amount of Credit

Assembly Bill 1080 (Villaraigosa & Davis), as enacted on September 24, 2000, made the following changes to California law:

Revenue and Taxation Code Section 17052.2, as added by AB 2879 (Stats. 2000, Ch. 75), is amended.

This act simplifies the method of determining the amount of tax imposed on a teacher's salary for purposes of the credit limitation. Rather than determining the tax liability twice, taxpayers will multiply their total tax (as defined) by the ratio, not to exceed 1.00, of a credentialed teacher's wages and salary (as defined) divided by their total adjusted gross income from all sources.

This act is effective January 1, 2001, and applies to taxable years beginning on or after January 1, 2000.

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

October 18, 2000